bloosurf

Broadband Infrastructure Application
Submission to RUS (BIP) and NTIA (BTOP)

ATTACHMENT TO APPLICATION SUBMITTED BY BLOOSURF, LLC

C. Executive Summary:
8. Executive Summary of Project for BIP and BTOP:

[redacted]

Bloosurf is a start-up, Delaware based LLC that intends to design, operate and maintain hybrid broadband networks in rural areas. It was founded by a group of U.S. investors who own the majority share and control the company. Bloosurf intends to import the know-how developed in Europe to address the last mile market in a technically superior, reliable, affordable and sustainable manner. Bloosurf chose the lower eastern shore of the Delmarva Peninsula to roll out its service beginning in the rural Maryland counties of Worcester and Somerset.

Bloosurf has partnered with Als@tis (Alsatis), a French company founded in 2004 [redacted] to provide broadband service in rural France. In the four years since its creation, Alsatis has grown from 0 to 6000 subscribers, and is currently growing its ISP business at an annual rate of 100%. After five years in operation, Alsatis has mastered the three separate yet interrelated elements of a successful rural broadband approach: equipment integrator, network operator and internet service provider. Bloosurf has adopted the Alsatis model for the U.S. market as the conditions are almost identical. Alsatis currently operates 600 wireless cells for itself or for local governments in France. It is deploying in the range of 350 new cells per year. Alsatis operates an open, non-discriminatory network in France and would adopt the same approach in the U.S, per the requirements of the BIP and BTOP programs. Bloosurf will import the Alsatis technology and know-how to the U.S. market beginning in Maryland.

The lower Eastern Shore of Maryland is an ideal location to begin last mile service in the United States. With an existing fiber backbone owned and operated by a state chartered, non-profit cooperative, Bloosurf is able to gain access to an existing fiber optic network on the lower Eastern Shore. The fiber optic backbone on the lower Eastern Shore was built by the Maryland Broadband Cooperative (MDBC). MDBC was created to construct a fiber optic backbone in the rural counties of Maryland and, as it is dedicated to middle mile creation, cannot offer last mile service in these areas. Bloosurf is a member of MDBC and is therefore eligible to offer last mile service on their network.

[redacted]

[redacted]

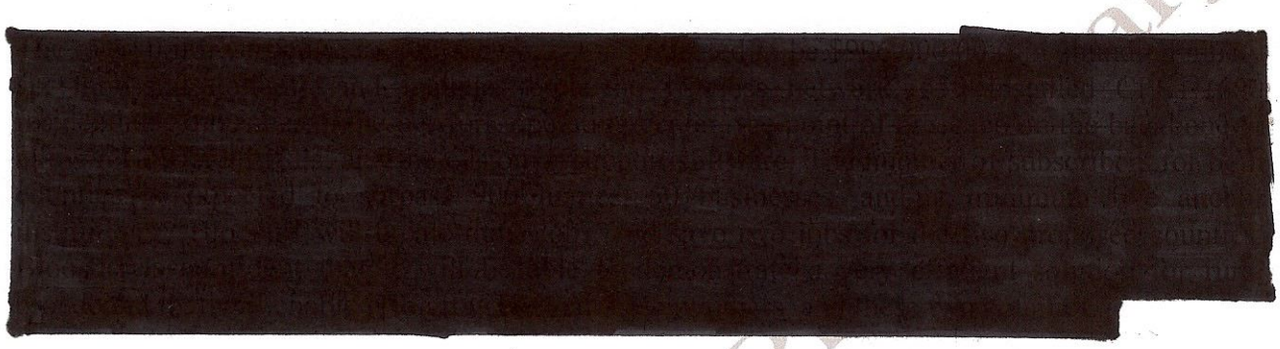
Bloosurf technology and network operations have already been validated by MDBC. In October of 2008, MDBC conducted a 30 day demonstration of the Bloosurf system by connecting a home, a school and a business in Pocomoke City, Worcester County, Maryland. MDBC validated the speed, reliability and sustainability of the Bloosurf system that is still in operation today.

[redacted]

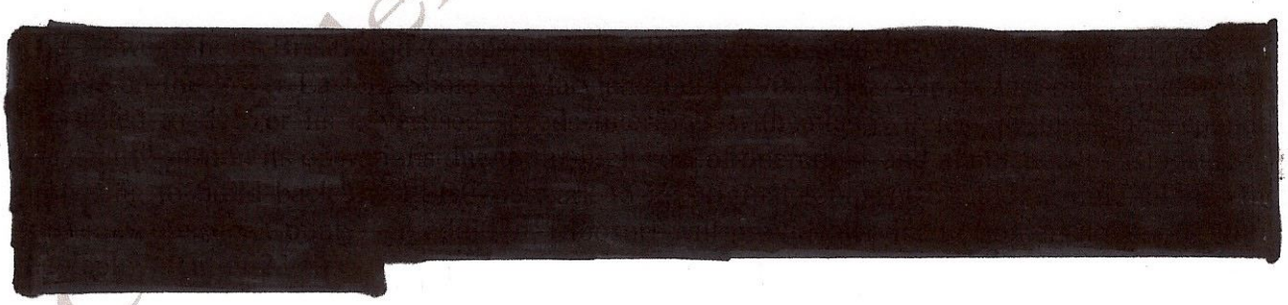
Most importantly, the cost structure of this last mile network is substantially lower than any existing last mile solution because of its COTS components, free spectrum, and open source software. Thereby, making it affordable and economically sustainable in the rural market and most importantly, affordable to the average rural household and business. Bloosurf's network will pass a minimum of 17,600 households in rural Worcester and Somerset. Although not in our proposed service area, the network should also be able to cover several thousand more households both in the south at the Virginia border and in the North West in Dorchester County. It will pass 1,200 businesses in Worcester, and 450 in Somerset. The number of community anchor institutions, public safety entities, and critical community organizations passed in Worcester is 30 and in Somerset there are 36. Proposed services for the proposed funded service area and users include:

- High speed internet access starting at 1 Mbps at $29.99 per month to accelerate penetration in rural areas
- High speed internet access at 4 Mbps at $44.99 per month to provide competitive service when compared with DSL offers in suburban areas
- VoIP, so as when combined with the services mentioned above, offers better dual play values than the DSL services in suburban areas, and when combined with starting satellite TV, offers better values than triple play services offered by the cable companies in the area

- Dedicated high speed internet access for businesses and anchor institutions starting at 2 Mbps for $250.00 per month and up to 5 Mbps for $650.00 which corresponds to a 600 percent increase in value when compared to the current service offerings (more than three times the speed when compared to a T1 line for half the cost currently charged to the 12 schools in Worcester)



The most technically sound, reliable, affordable and sustainable model for a rural broadband network in Maryland is a hybrid network that combines a fiber backbone with a wireless last mile provided by the private sector that utilizes existing tower structures, COTS components, free spectrum and open software that is fully sustainable from Maryland's rural subscriber base. The proposed service areas of Worcester and Somerset are 100% rural since only the urban cluster of Ocean City is above 20,000 habitants (25,186 according to the 2000 Census) and is not part of this proposal. Most of the rural, urban clusters of Worcester and Somerset counties are currently served by existing internet service providers, while the pure rural areas in those counties remain unserved. The service areas proposed, which are 100% rural, are underserved as defined per NOFA.



Bloosurf is applying for a 92 percent grant to serve these rural areas of Maryland. Based on a rigorous analysis of the area, and the experience of LSBC, Bloosurf has concluded that broadband service is not economically sustainable if the network operator and internet service provider must carry a debt load. With this assistance from the U.S. government, and the Bloosurf model adapted per Als@tis, Bloosurf is convinced that all rural areas in the United States can ultimately be served.